Supreme Court, U.S.
FILED
DEC 3 1987
JOSEPH F. SPANIOL, JR.
CLERK

No. 87-682

IN THE

Supreme Court of the United States

OCTOBER TERM, 1987

TECHNOGRAPH LIQUIDATING TRUST,
Petitioner,

v.

GENERAL MOTORS CORPORATION,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Third Circuit

---

REPLY BRIEF OF PETITIONER

SIDNEY BENDER
AARON LEWITTES
JANINE L. BENDER
LEVENTRITT LEWITTES & BENDER
1205 Franklin Avenue
Garden City, N.Y. 11530
(516) 742-4250

ALFRED W. PUTNAM, JR.
DRINKER, BIDDLE & REATH
1100 Philadelphia National Bank Building
Philadelphia, Pa. 19107
(215) 988-2700

REX E. LEE *
CARTER G. PHILLIPS
MARK D. HOPSON
SIDLEY & AUSTIN
1722 Eye Street, N.W.
Washington, D.C. 20006
(202) 429-4000

ROBERT K. PAYSON
POTTER, ANDERSON & CORROON
350 Delaware Trust Building
Wilmington, Del. 19899
(302) 658-6771

Counsel for Petitioner

* Counsel of Record

December 3, 1987

WILSON - EPES PRINTING CO., INC. - 789-0096 - WASHINGTON, D.C. 20001

TABLE OF AUTHORITIES

Cases: Page

Christianson v. *Colt Industries Operating Corporation*, 798 F.2d 1051 (7th Cir. 1986), cert. pending, No. 87-499 (filed Sept. 23, 1987) 5, 6

Hempstead Cty. & Nevada Cty. Project v. *E.P.A.*, 700 F.2d 459 (8th Cir. 1983) 3

Kidde, Inc. v. *E.F. Bavis & Assoc.*, 735 F.2d 1085 (8th Cir. 1984) 2

Owen Equipment & Erection Co. v. *Kroger*, 437 U.S. 365 (1978) 3

Professional Managers' Ass'n v. *United States*, 761 F.2d 740 (D.C. Cir. 1985) 3

USM Corporation v. *SPS Technologies, Inc.*, 770 F.2d 1035 (Fed. Cir. 1985) 2, 3

Statutes and Regulations:

28 U.S.C. § 1295(a) ..... *passim*

28 U.S.C. § 1631 3

Legislative Materials:

S. Rep. No. 275, 97th Cong., 2d Sess. (1982) 4

IN THE

Supreme Court of the United States

OCTOBER TERM, 1987

No. 87-682

TECHNOGRAPH LIQUIDATING TRUST,
Petitioner,

v.

GENERAL MOTORS CORPORATION,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Third Circuit

---

REPLY BRIEF OF PETITIONER

In the petition for certiorari, we demonstrated that the exercise of jurisdiction by the Third Circuit and the rejection of jurisdiction by the Federal Circuit in this case raises an important issue of federal law concerning appellate jurisdiction in patent cases, which has not been decided by this Court and which has been the subject of conflicting interpretations among the courts of appeals. In effect, respondent asserts that this Court should ignore the important jurisdictional issue in this case because the litigation has been complicated and protracted. That is, however, a wholly inadequate reason to permit the provision of the Federal Courts Improvement Act governing

patent appeals, 28 U.S.C. § 1295(a), to remain in a state of flux. For the reasons that follow, the Court should grant the petition.

1. In its Opposition, respondent fails to dispute the simple and controlling fact that the jurisdiction of the district court below "indisputably arose under the patent laws." Pet. 3, 5; Opp. 8. In 28 U.S.C. § 1295(a), Congress provided with unmistakable clarity that "the Federal Circuit shall have exclusive jurisdiction of an appeal from a final decision of a district court . . . if the jurisdiction of that court was based, in whole or in part, on [the patent law,] section 1338." The decision of the Federal Circuit to reject jurisdiction over this appeal—and the subsequent decision of the Third Circuit to accept jurisdiction—is thus flatly contrary to Congress' intent that the Federal Circuit's jurisdiction is established if the district court's jurisdiction arose, in whole or in part, under the patent laws. Pet. 6-8. This Court's adoption, under the plain meaning of Section 1295, of that straightforward standard for determining the Federal Circuit's exclusive jurisdiction will eliminate the waste of appellate resources that has resulted from the Federal Circuit's creation of a flexible jurisdictional standard based on "comity and judicial economy."

What is more, the erroneous holdings of the Federal and Third Circuits below plainly conflict with the decisions of those courts of appeals that have held that the statute means what it says. See *Kidde, Inc.* v. *E.F. Bavis & Assoc.*, 735 F.2d 1085 (8th Cir. 1984); Pet. 8-11. *USM Corporation* v. *SPS Technologies, Inc.*, 770 F.2d 1035 (Fed. Cir. 1985), relied upon by respondent (Opp. 10-11), merely reinforces petitioner's contention that the Federal Circuit continually disregards Congress' jurisdictional commands. In *USM Corp.*, as in the present case, the Federal Circuit transferred an appeal to one of the regional circuits, not because of a lack of juris-

diction, as required by statute,[1] but rather because of a finding of "judicial efficiency." Opp. 10; see App. 3a (transfer in "interests of comity and judicial economy"). Thus, respondent's reliance on *USM Corp.* provides no support for its contention that the jurisdictional rulings below were unexceptional. To the contrary, *USM Corp.* enhances petitioner's argument that there is a clear conflict between the rulings below and the holdings of this Court and other courts of appeals that jurisdictional statutes cannot be overridden on grounds of "judicial efficiency and fairness." *Professional Managers' Ass'n* v. *United States*, 761 F.2d 740, 744-745 (D.C. Cir. 1985); see *Owen Equipment & Erection Co.* v. *Kroger*, 437 U.S. 365 (1978).

Respondent argues, contrary to the plain meaning of Section 1295(a), that the statute should be interpreted to establish jurisdiction in the Federal Circuit only in appeals raising "substantial patent issues"—rather than in all *cases* in which jurisdiction in the district court is based on the patent law. Opp. 8-9. As petitioner has demonstrated (Pet. 6-7), that reading of the statute plainly is wrong. But, more important, that argument completely undermines respondent's assertion that the impact of the decision below is limited to this case. The fact, repeatedly cited by respondent, that this case was initiated prior to the Federal Courts Improvement Act is simply irrelevant to the respondent's theory of jurisdiction under Section 1295. The Third Circuit's exercise of jurisdiction, and the Federal Circuit's rejection of jurisdiction, in this case can be justified *only* by respondent's strikingly incorrect reading of the statute. That interpretation raises the fundamental, and recurring, question of whether Con-

---

[1] Such a transfer is, of course, flatly contrary to the mandate of 28 U.S.C. 1631, which requires (1) an express finding of lack of jurisdiction in the transferor court and (2) a finding of jurisdiction in the transferee court. 28 U.S.C. 1631; Pet. 2; see *Hempstead Cty. & Nevada Cty. Project* v. *E.P.A.*, 700 F.2d 459, 462 (8th Cir. 1983).

gress' grant of exclusive appellate jurisdiction may be overridden, on a case-by-case basis, by an appellate court's post-hoc characterization of the "issues" presented or by the court of appeals' assessment of "comity and judicial economy." See Pet. 4, 6.

2. Respondent also claims that the petition should be disregarded as petitioner's effort to "shop" for a more accommodating forum. In fact, petitioner's motion in the district court seeking reasonable royalties on a finding of infringement (from which this appeal arises) was based on Federal Circuit case law which called into question the validity of the prior Third Circuit decision in this case.[2] See App., 11a-12a. Petitioner properly filed its appeal in the Federal Circuit. Pet. 4. It was respondent that engaged in forum shopping and sought (successfully) to avoid the force of the intervening decisions of the Federal Circuit by having the case transferred to the Third Circuit. Thus, at bottom, respondent's actions fly in the face of Congress' intent to lay to rest such "forum shopping" practices when it enacted the Federal Courts Improvement Act. See S. Rep. No. 275, 97th Cong., 2d Sess. 5-6; Pet. 7-8.

3. Respondent's and the Third Circuit's interpretation of the statutory language at issue clearly illustrates the

---

[2] Although, for reasons stated above, the nature of the issues raised in the district court is completely irrelevant to the jurisdictional question, it is clear that petitioner did in fact raise substantial "patent issues" in the appeal below. One of the major issues presented in that appeal was stated as follows:

> Does the decision of this Court awarding no royalty whatsoever for the infringement of 1.3 billion non-bumper parts under 35 U.S.C. sec. 284, which mandates an award "in no event less than a reasonable royalty" whenever infringement is found, conflict with supervening law of the Federal Circuit explicitly holding that an award of no royalty is contrary to the express statutory provision and explicitly mandating an award of a reasonable royalty in every case where infringement is proven?

Brief of Technograph Liquidating Trust, p. 3 (March 16, 1987).

complementary nature of the issue presented in the instant case and that raised in *Christianson* v. *Colt Industries Operating Corporation*, petition for cert. pending, No. 87-499 (filed Sept. 23, 1987). Under respondent's interpretation of the jurisdictional statute, the appeal in *Christianson*—in which the complaint "seeks no direct relief under the patent laws but . . . deal[s] with substantial patent issues"—presumably would be heard by the Federal Circuit. Opp. 7-8. By contrast, under the standard proposed by petitioner, the appeal in *Christianson* would be heard in one of the regional courts of appeals—assuming, as respondent states, that the jurisdiction in the *Christianson* case was not based on the patent laws.

The only real difference between the Federal Circuit's decision in *Christianson* and the Third Circuit's decision below is that, in *Christianson*, the Federal Circuit admitted that it did not have jurisdiction and then proceeded to decide the merits while the Third Circuit below remained mute regarding its obvious lack of jurisdiction to hear the appeal. The two cases thus involve closely related questions of the interpretation of Section 1295 (a), in which both courts ultimately were without jurisdiction and yet both reached the merits of the cases before them.

Accordingly, respondent's contention that *Christianson* involves "totally unrelated issues" is flatly incorrect. The broad jurisdictional holding defended by respondent in its Opposition has a clear nexus to the jurisdictional issue raised in the *Christianson* petition. Thus, although *Christianson* and the present case do not present identical issues—because the instant petition involves a case in which the district court's jurisdiction unquestionably was based on Section 1338—both petitions raise complementary issues concerning the proper interpretation of the Federal Circuit's jurisdiction over patent appeals under Section 1295 (a). The two cases, in tandem, present the Court with an

opportunity to resolve virtually all of the issues concerning Section 1295(a) which have given rise to conflicts in the courts of appeals. See *Christianson*, 798 F.2d 1051, 1058 n.10 (7th Cir. 1986) (noting "burgeoning list of cases delineating, at considerable expense to the parties and the judicial system . . . the boundaries of 28 U.S.C. § 1295(a)(1)"). Accordingly, the Court should grant both petitions and hear the cases together.

CONCLUSION

For the foregoing reasons and those presented in the petition, the petition for a writ of certiorari should be granted.

Respectfully submitted,

SIDNEY BENDER
AARON LEWITTES
JANINE L. BENDER
LEVENTRITT LEWITTES & BENDER
1205 Franklin Avenue
Garden City, N.Y. 11530
(516) 742-4250

ALFRED W. PUTNAM, JR.
DRINKER, BIDDLE & REATH
1100 Philadelphia National Bank Building
Philadelphia, Pa. 19107
(215) 988-2700

REX E. LEE *
CARTER G. PHILLIPS
MARK D. HOPSON
SIDLEY & AUSTIN
1722 Eye Street, N.W.
Washington, D.C. 20006
(202) 429-4000

ROBERT K. PAYSON
POTTER, ANDERSON & CORROON
350 Delaware Trust Building
Wilmington, Del. 19899
(302) 658-6771

Counsel for Petitioner

* Counsel of Record

December 3, 1987